

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02510A
Boynton Canyon Enchantment Homeowners
Association
525 Boynton Canyon Road
Sedona AZ 863360000

RECEIVED

APR 06 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) BOYNTON CANYON ENCHANTMENT HOMEOWNERS' ASSOCIATION WATER UTILITY CO.

Mailing Address 525 BOYNTON CANYON ROAD
(Street)

SEDONA

(City)

AZ

(State)

86336

(Zip)

(928) 204-6264

Telephone No. (Include Area Code)

(928) 204-2936

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address SKNIGH@ENCHANTMENTRESORT.COM

Local Office Mailing Address SAME

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: SUSANNE KNIGHT

(Name)

HOA MANAGER

(Title)

525 BOYNTON CANYON ROAD

(Street)

SEDONA

(City)

AZ.

(State)

86336

(Zip)

(928) 204-6264

Telephone No. (Include Area Code)

(928) 204-2936

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address SKNIGH@ENCHANTMENTRESORT.COM

On Site Manager: JERRY BRUCE

(Name)

525 BOYNTON CANYON ROAD

(Street)

SEDONA

(City)

AZ

(State)

86336

(Zip)

(928) 204-6030

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: GEORGE LIDICKER
(Name)

525 BOYNTON CANYON ROAD
(Street) (City)

SEDONA AZ 86326
(State) (Zip)

(928) 204-6261
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney:

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME **BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	82,770.05	30,803.51	51,966.54
311	Pumping Equipment	31,600.18	30,374.02	1,226.16
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	114,173.00	54,707.47	59,465.53
333	Services			
334	Meters and Meter Installations			
335	Hydrants	4,844.04	215.20	4,629.01
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	233,587.27	116,100.30	117,287.24

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER CO.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	6,801.66 75,968.39	0% 3.17%	0 2411.52
311	Pumping Equipment	31,600.18	4.28%	1352.10
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	114,173.20	8.34%	9,514.42
333	Services			
334	Meters and Meter Installations			
335	Hydrants	4,844.04	4.45%	215.30
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	233,387.27		13,493.34

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME **BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.**

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 116.21	\$ 2,468.81
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	8,355.34	9,677.67
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		10,508.09
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 8,471.55	\$ 22,654.57
	FIXED ASSETS		
101	Utility Plant in Service	\$ 228,543.28	\$ 233,387.27
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	102,606.96	116,100.30
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 125,936.27	\$ 117,286.97
	TOTAL ASSETS	\$ 134,407.82	\$ 139,941.54

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME **BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.**

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 10,026.45	\$ 1,377.31
232	Notes Payable (Current Portion)		5,628.71
234	Notes/Accounts Payable to Associated Companies		7,652.78
235	Customer Deposits		
236	Accrued Taxes	557.35	614.26
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 10,602.80	\$ 15,270.06
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 0	\$ 0
	TOTAL LIABILITIES	\$ 10,602.80	\$ 15,270.06
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	123,805.02	124,671.48
	TOTAL CAPITAL	\$ 123,805.02	\$ 124,671.48
	TOTAL LIABILITIES AND CAPITAL	\$ 134,407.82	\$ 139,941.54

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 126,070.21	\$ 134,415.68
460	Unmetered Water Revenue		
474	Other Water Revenues	76.33	75.45
	TOTAL REVENUES	\$ 126,146.54	\$ 134,491.13
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 24,019.36	\$ 19,587.33
610	Purchased Water		
615	Purchased Power	651.53	654.52
618	Chemicals		
620	Repairs and Maintenance	79,008.45	77,670.34
621	Office Supplies and Expense	3,607.15	3,998.69
630	Outside Services	12,898.03	9,839.41
635	Water Testing		
641	Rents		
650	Transportation Expenses	3,178.51	2,239.43
657	Insurance - General Liability	4,655.50	6,141.61
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	39.79	0
403	Depreciation Expense	21,063.48	13,493.34
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 149,121.80	\$ 133,624.67
	OPERATING INCOME/(LOSS)	\$ (22,975.26)	\$ 866.46
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ 0	\$ 0
	NET INCOME/(LOSS)	\$ (22,975.26)	\$ 866.46

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA - WATER UTILITY CO.

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

N/A

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER CO.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-600175	10	25	852'	5"	1 1/2"	84
55-545341	30	69	1060'	8"	2"	95

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5HP	1	14	1

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000 GALLONS	2	N/A	

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER CO.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	575
3	PVC	1,635
4		
5		
6	PVC	7,966
8	PVC	1,816
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	75
3/4	
1	6
1 1/2	16
2	1
Comp. 3	2
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME: BOYNTON CANYON ENCHANTMENT HOA - WATER UTILITY CO.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	101	1,340,900	1,340,900
FEBRUARY	101	1,334,210	1,334,210
MARCH	101	1,609,740	1,609,740
APRIL	101	1,727,970	1,727,970
MAY	101	1,915,518	1,915,518
JUNE	101	2,197,882	2,197,882
JULY	101	1,897,050	1,897,050
AUGUST	101	1,864,880	1,864,880
SEPTEMBER	101	1,631,500	1,631,500
OCTOBER	101	1,804,560	1,804,560
NOVEMBER	101	1,525,890	1,525,890
DECEMBER	101	1,242,450	1,242,450
TOTAL		N/A	20,092,550

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 5.0 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA YEAR ENDING 12/31/2003
WATER UTILITY CO.

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. All property Tax is paid by the Boynton Canyon HOA because the Water Co. is not its own Entity. The Assoc. Holds a Certificate of public Convenience and Necessity from the Arizona Corporation Commission. Authorizing it to operate a Water Utility Co.

COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA
WATER UTILITY CO.
INCOME TAXES

YEAR ENDING 12/31/2003

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For this reporting period, provide the following:

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

N/A

State Taxable Income Reported
Estimated or Actual State Tax Liability

N/A

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

Amount of Gross-Up Tax Collected

Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Susanne Knight
SIGNATURE

3-31-04
DATE

SUSANNE KNIGHT
PRINTED NAME

MANAGER
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 06 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) YAVAPAI COUNTY
NAME (OWNER OR OFFICIAL) TITLE SUSANNE KNIGHT / MANAGER
COMPANY NAME BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY Co.

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH 12	DAY 31	YEAR 2003
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HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 143,047.94

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,632.26
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

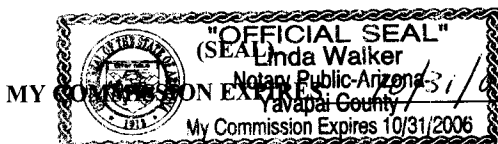
THIS

31st

DAY OF

COUNTY NAME <u>Yavapai</u>	
MONTH <u>March</u>	20 <u>04</u>

Linda Walker
SIGNATURE OF NOTARY PUBLIC



VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 06 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

(COUNTY NAME) <u>YAVAPAI</u>	
NAME (OWNER OR OFFICIAL) <u>SUSANNE KNIGHT</u>	TITLE <u>MANAGER</u>
COMPANY NAME <u>BOYNTON CANYON ENCHANTMENT HOA WATER UTILITY CO.</u>	

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2003</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES <u>\$ 7,382.39</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 446.69
IN SALES TAXES BILLED, OR COLLECTED

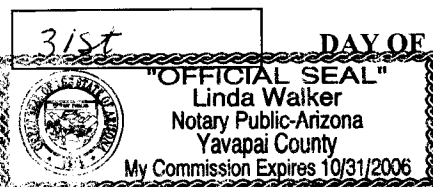
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Susanne Knight
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

MY COMMISSION EXPIRES 10/31/06

NOTARY PUBLIC NAME <u>LINDA WALKER</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>march</u>	20 <u>04</u>

X

Linda Walker

SIGNATURE OF NOTARY PUBLIC